

FISCAL YEAR
2012
BUDGET



WESTERN VIRGINIA
WATER AUTHORITY

Our Mission is Clear



Fiscal Year 2012 Budget

Our Mission is Clear

Purpose

The Western Virginia Water Authority (Authority) which started operations July 1, 2004, was created from the utility departments and billing offices of the City of Roanoke and Roanoke County. The Authority's mission is to protect and manage essential water resources through the delivery of quality water and wastewater service to its customers. In 2009 Franklin County joined the Authority. Water service is provided to more than 57,000 residential, commercial and industrial locations in the City of Roanoke, Roanoke County and the Smith Mountain Lake area of Franklin County and to customers in other area localities through bulk sales contracts. Sewer service is provided to approximately 51,000 residential, commercial and industrial locations. Bulk wastewater service contracts with the City of Salem, the Town of Vinton and Botetourt County provide service to the majority of citizens in these localities.

The Authority has ongoing water and wastewater service contracts with the Town of Fincastle. Operating revenues and expenses related to these systems are included in the budget.

This document summarizes accomplishments of the current year and the budget for Fiscal Year 2012, organized by fund, including projected revenues and planned expenditures (pages 1-3). A summary of the Authority's five-year Capital Improvement Plan (pages 4-6) for each fund is also included as well as the five year user rate plan (Appendix A).

Organization

The Authority is overseen by a seven-member Board of Directors appointed by the elected bodies of the City of Roanoke and Roanoke County and Franklin County. Board members serve four-year terms. Appendix B provides an introduction to the current Board members.

Authority staffing includes 268 full-time employees assigned into four operating divisions. Five new full time positions are included in this budget for an additional sewer construction crew in the Field Operations division.

The Authority's finances are organized into two funds, Water and Water Pollution Control (WPC). The Water Fund fully supports debt incurred for water facilities and the Water Capital Improvement Plan, as well as fully funding the Water Operations Division and 50% of the operation of Field Operations and Internal Services.

The WPC Fund supports debt incurred for wastewater facilities, the Wastewater and Water Pollution Control Plant Capital Improvement Plans, the operations of the Water Pollution Control Division and 50% of the operations of Field Operations and Internal Services.



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Water Operations. This division is responsible for operation of the Authority's water treatment plants and reservoirs as well as operation and maintenance of metering systems and operation of pumping stations and elevated storage tanks. Water production for the Authority is provided at the Spring Hollow, Carvins Cove, Falling Creek and Crystal Spring water treatment plants. In addition, supplemental water can be provided from various groundwater well systems owned by the Authority. Current rated treatment capacity is approximately 56 million gallons a day (mgd) with average production of approximately 23 mgd. Wholesale purchases of water are also used to feed into the Franklin County Smith Mountain Lake system. Security and recreation at the Carvins Cove Reservoir and Natural Reserve are also responsibilities of the Water Operations division.

Water Pollution Control. Functions of this division include operation of the Roanoke Regional Water Pollution Control (WPC) Plant, industrial and building maintenance of the Authority's facilities, operation of sewage lift stations, evaluation of the sanitary sewer collection system for inflow and infiltration control, land application of biosolids, septage treatment and industrial pretreatment. The WPC Plant provides advanced treatment under a permit from the Virginia Department of Environmental Quality. Long term average annual daily flow is 37 million gallons per day (mgd) with a permit limit of 55 mgd. The Authority also operates a small package plant in the Westlake area of Franklin County.

Field Operations. Located at the Authority's Field Operations Center on Hollins Road, operations of this division include construction and maintenance of the Authority's water distribution system including water mains, valves and fire hydrants and construction and maintenance of the wastewater collection system, including gravity mains and manholes. This division provides emergency and after-hours customer response 24-hours-a-day, seven-days-a-week. The majority of the Authority's fleet is managed by this division. This includes service and tool trucks, backhoes, dump trucks, front end loaders and track hoes.

Internal Services. Located at the Authority's administrative headquarters at the corner of Franklin and Jefferson in downtown Roanoke, the Internal Services group includes Utility Administration, Engineering Services, Finance, Human Resources and Information Technology. Utility Administration includes the Authority's executive management. Engineering Services division is responsible for development review, capital program implementation, construction inspection, utility infrastructure location and mapping. Finance includes accounts payable and receivable, debt management and investments. Human Resources division includes the personnel, payroll, risk management, safety functions and the Authority's environmental education and outreach program. Information Technology includes the functions of billing, customer service and data processing.



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In addition to the operating divisions listed, the Authority also contracts for services to private vendors, the City of Roanoke and Roanoke County. The Authority's legal services and processing of payments by regular mail are contracted to private companies. Roanoke County provides fleet and fuel management services to the Authority. The City of Roanoke provides information systems support including applications, networking and phone systems.

Accomplishments of the Current Fiscal Year

As the Authority's seventh fiscal year comes to a close, the Executive Directors would like to note a number of accomplishments and achievements completed through the dedication and determination of the employees of the Western Virginia Water Authority.

Regionalism

Contract services for the Town of Fincastle's water supply system and wastewater treatment facility continued for the fifth year. The Authority is in the final renewal option under the contract with the Town which expires October, 2011. Services include daily operation, maintenance and testing services, meter reading and the development of a preventative maintenance program for the Town. In 2010, the Authority began billing customers in the Town.

The Authority formed a partnership with the Roanoke Area Youth Substance Abuse Coalition (RAYSAC) in 2010 to educate the public on the proper storage and disposal of prescription drugs. This partnership created a task force of area medical, education, legal, environmental and law enforcement professionals to increase community awareness of the dangers of not properly disposing of prescription drugs. The Authority and RAYSAC also partnered with area law enforcement professionals to hold the first prescription drug "take-back" day in September. Over 334 pounds of prescription drugs were collected at this event. Due to the success of this program, another "take-back" day is scheduled for April 2011.

Delegate Onzlee Ware and Senator John Edwards introduced a bill for the 2011 session of the General Assembly on behalf of the Authority to simplify erosion and sediment control permitting. Specifically, this bill permits public authorities to use the state permitting system available for investor-owned utilities such as Appalachian Power and Roanoke Gas Company. The bill was passed by both houses and signed by the Governor. It becomes effective July 1, 2011.

Staff provided assistance to the Town of Clifton Forge as they transitioned to metering water service. Conservation, billing and meter reading information was shared. Staff also assisted the Town with their Inflow and Infiltration Control Program, providing groundwater monitoring assistance.

The Authority was contacted by representatives from Harrisonburg and Rockingham County Virginia as well as localities in Michigan for guidance in establishing a regional water authority for their service area. The gentleman from Black & Veatch who was



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gathering information for the Michigan based utility stated that the Authority was one of the best examples of a regional authority that he had found.

The Authority continues to actively participate in the Roanoke Regional Public Works Academy which was formed to collectively offer a wide variety of training sessions to public works employees at substantially lower cost. The Academy membership currently consists of Roanoke County, Roanoke City, Vinton, Salem, Roanoke Gas Company, Western Virginia Water Authority, Virginia Western Community College and Bedford County PSA. This year, membership was expanded to include Blacksburg and Clifton Forge. Ramona Carter with the Authority's Field Operations Division is serving as chairperson this year. The group has conducted over 2,000 hours of technical and field training for public works employees on topics such as Confined Space, Work Zone Safety, Trenching and Shoring, General Equipment, CDL drug and alcohol awareness, Damage Prevention, Defensive Driving, First Aid and technical writing.

Water Division

S.C. Rossi & Company completed construction of the Rugby Boulevard and Rorer Avenue water line replacement projects in April. These projects were the first water line replacement projects in the state to be completed utilizing funds from the American Recovery and Reinvestment (Stimulus) Act.

While construction of the spillway is complete, Carnell Construction Corporation continued installation of the articulated concrete block on the Falling Creek Dam. This project that started in May 2009 involves stabilizing the slope of the dam, controlling seepage and increasing the spillway capacity to bring the dam into compliance with current State dam regulations. While the dam was being rehabilitated, staff renovated the Falling Creek water treatment plant which resulted in longer filter run times between backwashes and better overall control of the treatment process.

The Falling Creek Treatment Plant Consent Order, which was originally issued by the DEQ in June of 2010 to address the exceedance of copper concentration limitations in the discharge of backwash water into Falling Creek was satisfied in November. To address the requirements, a backwash recycling system was installed to eliminate the need for discharging to Falling Creek.

The Clifford D. Craig Memorial Dam (at Spring Hollow) drilling and grouting project to mitigate seepage through the dam and around the east and west abutments was completed in July. This project was a requirement of the Virginia Division of Dam Safety as a condition to allow issuance of a regular operation and maintenance certificate.

Aaron J. Conner Company completed construction of the U.S. Route 220 water line extension project during July. This 65,000-foot line is now in service from the Clearbrook area of Roanoke County to the Wirtz Plateau area of Franklin County. Extensions along Taylor's Road, Green Level Road and Wirtz Road were also completed.



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The Scruggs Road water line extension was put into service during the month of July. With assistance from the Field Operations Division, water distribution staff completed connection of the Boardwalk and Windmere Point and Waterfront water systems to the Scruggs Road water line. The connection of these well systems incorporated installation of a pressure reducing station and other piping improvements.

The State Corporation Commission approved the Authority's application to acquire the water system which serves Contentment Island development at Smith Mountain Lake in August, and customers received their first bills in October. The Westlake Water System was acquired in February, 2011.

The Environmental Protection Agency announced in January that it was considering modifying its regulations to change the target concentration of fluoride in public drinking water from a range of 0.7 -1.2 mg/L to a single value of 0.7 mg/L, a change in which the American Dental Association, Center for Disease Control and the Virginia Department of Health concur. The Authority notified the Lexington field office of the VDH-Office of Drinking Water that effective January 5th, all Authority water production facilities will maintain a fluoride concentration of 0.7mg/L.

In September, staff selected Honeywell Building Solutions, an Energy Services Company (ESCO) qualified to provide a turn-key energy and operational efficiency program in accordance with Virginia Code §11-34.3 "Energy Performance-Based Contract Procedures". Honeywell is currently conducting an investment grade audit of the Authority's existing systems and operational procedures. The audit includes activities such as engineering studies, engineering design analysis, meter testing, leak detection, propagation studies, system modeling and contract formation with preparation and arrangement of project financing. Specifically the project preparation activities includes a detailed survey of Authority water infrastructure, facilities and systems to identify recommended improvements and an analysis to establish baseline water meter accuracy, water loss, energy and operational costs and savings guarantee parameters. Performance of this audit will confirm or refute the financial viability to proceed further with the infrastructure improvement program.

In November, the Association of Metropolitan Water Agencies (AMWA) presented the Authority with the Gold Award for Exceptional Utility Performance. According to James McDaniel, the President of AMWA and the Senior Assistant General Manager, Los Angeles Department of Water and Power, AMWA's 2010 award winners are industry pace-setters, where forward-looking managers and committed workforces create sustainable utilities providing high quality, affordable water and responsive customer service, while protecting the environment."

Water Pollution Control Division

The Regional Water Pollution Control (WPC) Plant treated a record 13 billion gallons of sewage at an average rate of 35.5 million gallons per day (mgd). The wastewater collection system experienced a drop in wet weather overflows compared to the previous year.



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The WPC Plant and staff were honored in July at the 40th Annual Conference of the National Association of Clean Water Agencies with a Gold Award for plant operations. This award signifies 100 percent compliance with permit conditions and the award's operational criteria. The plant is subject to a minimum of 6,979 monitored compliance points annually that must all be met to qualify for the award. This is the second year in a row that the WPC Plant has been recognized, winning a Silver Award last year. The facility has met the criteria for the 2010 Gold Award and is in the process of submitting the application.

The Digester No. 1 Cover Replacement project was completed in October. This project is part of the Digester Gas Cogeneration project that will allow the plant to capture and then convert methane into electricity. Work is currently underway to install the digester gas combined heat and power (CHP) generator sets. When complete, the two generators will be able to supply better than 90 percent of the plant's heating requirements as well as 40 percent of the plant's total electrical demand. Assuming very conservative values for electrical rate increases, the 20-year electrical savings is projected to be \$12.5 million.

Clearing work began in October at the WPC Plant for the greenway and the bridge over the Roanoke River to connect the Roanoke River and Tinker Creek greenways. This project, which is expected to be completed in 2012, is being managed by the City of Roanoke with assistance from WPC Plant staff. Staff is also coordinating a transmission line extension by AEP which is routed through the facility. Replacement of the WPC's North Road retaining wall also commenced.

Several large scale sewer replacement projects commenced in Fiscal Year 2011 including the Lower Murray Run Sewer Interceptor Replacement, the Brandon Lane Sewer Replacement Project, the Shaffer's Crossing Sewer Replacement and the Corbieshaw Road Sewer Replacement projects. The Brandon Lane Sewer Replacement Project was completed during the fiscal year along with six smaller residential projects.

Field Operations Division

Water Capital Improvements Crew completed the Ingal Boulevard project which consisted of approximately 3,800 feet of 8 and 6-inch water line and 550 feet of 2-inch water line.

Taking advantage of planned renovations to the Market Building, the Authority contracted the relocation of the Market Street sewer. The existing sewer ran directly under the building so the new line was relocated to Wall Street to provide for better access and maintenance. Water lines and valves in the area were also relocated by Field Operations personnel. The Market Street project involved detailed coordination with several utility companies and contractors in addition to keeping downtown businesses satisfied. Water crews dedicated 805 man hours to the project, many of those hours during the night.



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Field Operation Sewer Construction crews successfully renovated the 15-inch sewer main in the 100 block of Williamson Road. Because of the depth of this line (20 feet deep) and the location of the line in a high traffic area, work was completed at night. Using trenchless methods, the crew was also able to renovate an additional 315 feet of the same main further down from the conventional dig.

The Preventative Maintenance section of Field Operations established a manhole rehabilitation crew tasked with addressing Inflow and Infiltration that enters the Authority's collection system through manholes. The crew started addressing all manholes in the 10-year floodplain by installing water tight frames and covers and inflow bowls to capture the storm water that may enter through the top of the manhole. In addition, the Sewer Preventative Maintenance group purchased a second closed caption TV van to inspect many more feet of sewer line, identify repairs and make corrections before overflows and further damage occur.

With the assistance of the Engineering Division, Field Operations obtained approval to use the old ULS lot to dispose of excavated material. The Field Operations Division was dumping at the Sand Road fill site; however, with the City's requirement that trenches must be backfilled completely with gravel, the Sand Road site filled up much quicker than anticipated. Field Operations will begin dumping at the ULS site in early April 2011.

A new security camera system has been installed at the Field Operations Division which allows continuous monitoring of both the new field operations building and the old ULS lot.

Field Operations continues to improve their fleet of vehicles and equipment. A directional drilling rig was purchased in March, which will help reduce pavement repairs and the amount of money spent making those repairs. In addition Field Operations continues to expand the safety equipment with the purchase of new trench boxes, steel road plates and confined space tripods.

Internal Services

In June, staff discontinued the process of leaving a door-tag on the residence of a customer who had a delinquent account that was about to be terminated and began directly calling the customers. Utilizing the CodeRed software, an automated courtesy call is generated to let the customer know that their payment must be received in our office the next business day to avoid termination of their service. The CodeRed software is also used to notify neighborhoods of community meetings and planned outages due to maintenance work.

The Authority transitioned away from the City of Roanoke and established in-house work station support. Contracts were signed with Tyler Technology for disaster recovery on finance and HR payroll, and an agreement with SunGard for disaster recovery on the utility billing solution was established. Technology implemented a payment solution for the Boat Landing and other remote locations and created a new Windows based user interface for our current billing system.



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The Authority's AS400 system was expanded by adding additional direct access storage, providing the necessary storage space to have a test/training environment for the billing solution. Staff issued a Request for Proposals for a new billing system in November and is currently participating in vendor demonstrations.

The Authority introduced on-line access to customer accounts on December 7, allowing customers to see current balances and due dates, view payment and consumption history and view a summary of monthly billing balances.

Customer service averaged over 588 customer interactions per day for the year and successfully met their goals by answering 90% of all incoming calls. Billing maintained 100% on-time processing even while billing three additional communities – Fincastle, Contentment Island and Chestnut Creek. The Collection efforts improved as a result of a process change whereby accounts are cut-off on a monthly basis instead of just the month in which the account is read.

The Engineering Division launched the InfoNet Mobile system to streamline field-data collection and updates of the Authority's GIS System. The InfoNet system integrates the mapping with customer generated calls, inspections, repairs, break history and hydraulic modeling to help prioritize our infrastructure needs and best allocate our funding and staff resources.

Engineering also increased capital project design productivity by more than 50 percent in 2010 in an ambitious effort to take advantage of favorable construction costs. This productivity increase will allow the Engineering Division to accommodate the upcoming 2011 wastewater collection system projects funded by over \$12 million in debt proceeds.

The roof on the Coulter Building and the roof on the Field Operations building on Hollins Road were replaced during Fiscal Year 2011. Both projects were within budget and contract time allotments.

Occupational Safety and Health Administration (OSHA) reportable incidents for Calendar Year 2010 are down compared to previous years. Neil Norris, the Authority's Safety, Risk and Fleet Coordinator has been focusing his training efforts to reduce these incidents. There were 15 OSHA reportable incidents for CY2010 compared to 26 in CY2009.

For the sixth consecutive year, the Authority received the Government Financial Officers Association's Certificate of Achievement for Excellence in Financial Reporting award.

Authority staff participated in a number of public events designed to inform citizens of the Authority's operations including public forums, fairs and speaking engagements by individual Authority employees. The outreach program continued to grow, with over 9,600 students in the City of Roanoke, Roanoke County and Franklin County participating in classroom presentations or tours of our treatment facilities. These outreach programs support the Authority's vision of protecting our natural environment through education and conservation.



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The Authority continued sponsorship of the Roanoke Technical Education Center (ROTEC) program aimed at high school students attending Patrick Henry and William Fleming High Schools. The program offers nineteen career courses with many offered as dual enrollment through Virginia Western Community College.

The Western Virginia Water Authority Supervisors Training program taught by Virginia Western Community College was offered again this year with nineteen employees graduating from the program. The employees received college credit, a certificate of completion and a luncheon at our Field Operations facility. Courses included time management, learning organizational and supervisory skills, understanding employer/employee relationships, Microsoft Office programs, and self-evaluation exercises over a period of about one year.

The Authority was awarded a state-wide Psychologically Healthy Workplace Award for 2010. This award, sponsored by state, provincial and territorial psychological associations with support from the American Psychological Association, recognizes organizations for their efforts to foster employee health and well-being while enhancing organizational performance. The award is based on the Authority's workplace practices in the following five areas: employee involvement, work-life balance, employee growth and development, health and safety and employee recognition.

Through the wellness program, employees participated in City of Roanoke recreation leagues for dodgeball and kickball and an Authority Wii competitive game tournament. Support also continued this year for a company golf league and fishing tournament.

Goals for Fiscal Year 2012 Budget

Operations. The continuing economic uncertainties are foremost in planning for this budget. Directors submitted budgets to control expenditures where possible with a goal of limiting increases in the budget to 2% for operations and maintenance. Water operational goals include managing water production and increased costs for electricity and chemicals. Wastewater operational goals include managing the treatment process faced with electricity and chemical cost increases along with reductions to inflow and infiltration entering the collection system.

Capital. Capital goals include providing adequate funding for capital infrastructure replacement. This year's budget plans for \$5.7 million for water capital projects and equipment expenditures focused on replacing aging water line infrastructure, reservoir improvements and meter replacements. \$6.2 million is budgeted for sewer capital projects and equipment expenditures. The capital plan for the wastewater system is divided into two components, wastewater collection system capital improvements and wastewater plant capital improvements. The Wastewater Capital Plan also integrates the elements of the Corrective Action Plan (CAP) required by the consent order to address I&I control. The FY2012 includes a new sewer construction crew in the Field Operations division to assist in complying with the requirements of the CAP. Elements of the CAP included sewer system delineation and prioritization, flow metering, pipe inspection, modeling and capital construction. Staff has divided the wastewater collection system



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into more than 30 drainage areas, referred to as sewersheds. The sewersheds have been prioritized for action based upon flow metering data and computer modeling. The CAP's overall plan is to eliminate sewer overflows from wet weather events resulting from storm frequencies of two years or less. The CAP also includes special high priority projects such as the Tinker Creek Interceptor Improvements and Restoration of the Old Roanoke River Interceptor intended to eliminate recurring overflow points.

Financial. The Authority's fiscal policy contains policies related to budgeting for revenues, expenses, capital improvements, reserves and development of rates and fees. This budget follows those guidelines and meets the requirements stated within. The Board has also adopted Financial Performance Measurements which are reviewed annually. This budget conforms to those standards as well.

Regional. The Authority seeks to increase regional cooperation and activity. Contract work for the Town of Fincastle includes meter reading, billing and wastewater plant operations. The contract will be up for renewal during FY2012.

Water Fund Fiscal Year 2012 Budget

Assets. The Authority's drinking water system consists of 1,082-miles of water main, 5,365-fire hydrants, 52-pumping stations and 48-storage tanks in addition to the four treatment plants previously mentioned. Water Fund assets total \$357.2 million as of June 30, 2010 and the balance of the cash and cash equivalents as of March 2011 is \$10.3 million.

Revenue. Water Fund revenue sources include direct billings for service to Authority residential, commercial and industrial customers, bulk service billings to other localities, development and service fees, nonoperating contributions and lease and investment income.

The proposed rate changes, subject to public notification and hearing, along with a revised projection of water consumption result in retail revenues approximately 5% ahead of last year's budget. Total Operating Income is projected to increase 5% over last year's budget. Estimated operating and non-operating revenue for Fiscal Year 2012 is approximately \$29.1 million, an increase of 4% over the 2011 budget which includes the half-year revenue increase of the expected rate change.

Expenditures. Water Fund cash expenditures for Fiscal Year 2012 are \$23.5 million, including debt service of \$7.8 million. Expenses incurring increases this year include paving repair cost, electric, fuel and chemicals. Overall operating expenses will increase 3% under the budget. The operating margin is forecast to be 41% and funds available for capital use and reserves total \$4.7 million.



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Water Pollution Control Fund Fiscal Year 2012 Budget

Assets. The wastewater collection system consists of 900-miles of gravity sewer main, more than 22,000-manholes, 21-sewage lift stations with 10 miles of pressurized force mains and the regional WPC Plant. Water Pollution Control (WPC) Fund assets total \$330.2 million as of June 30, 2010 and the balance of the Cash and cash equivalents as of March 2011 is \$18.5 million.

Revenue. WPC Fund revenue sources include direct billings for service to Authority customers, bulk service billings to other localities, development and service fees, septage disposal fees and lease and investment income.

The proposed rate changes, subject to public notification and hearing, along with a revised projection of sewer flow result in retail revenues approximately 5% ahead of last year's budget. Overall operating income will increase 5%. Total estimated revenue for Fiscal Year 2012 is approximately \$29.9 million, which includes the half-year revenue increase of the expected rate change.

Expenditures. WPC Fund cash expenditures for Fiscal Year 2012 are \$24.7 million which includes debt service expense of \$7.1 million. Operating expenses are projected to increase 2% this year. Expenses incurring increases this year include biosolids handling, electric, fuel, chemicals and expected costs to be incurred with the addition of the new five member sewer construction crew. The operating margin is forecast to be 39% and funds available for capital and reserves are \$5 million.

Debt Service

The projected debt service for FY 2012 is \$7.9 million for the Water Fund and the projected debt service for FY2012 is \$7.1 million for the Water Pollution Control Fund.

Total debt outstanding for the Water Fund at the end of FY 2010 was \$73.7 million. Principal payments of \$4.6 million will be made in fiscal year 2012. Total debt for the Water Pollution Control Fund at the end of FY 2010 was \$70.8 million. Principal payments of \$4.1 million will be made in fiscal year 2012.

The Water Fund is planning to apply for funding through the Virginia Department of Health's Revolving Loan Program (VDH) for the Shenandoah Avenue waterline replacement project in the amount of \$1,500,000. Repayment of this debt will not impact the 2012 budget. This program offers 20-year repayment schedule at interest rates in the 3% to 4% range. The Wastewater Fund has no bond funded projects proposed for FY 2012. In FY 2012, the Wastewater Fund will begin repayment of the \$25.3 million debt approved in FY 2011 budget.

Projected Debt Service coverage for the Water Fund is 1.61 times and 1.71 times for the Water Pollution Control Fund. Both systems are required to maintain at least a 1.1 times coverage on senior debt and 1.0 times coverage on locality compensation payments.



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Rates

The Authority has advertised for a change beginning in January 2012 in the water and wastewater base rates as shown in Appendix A. Appendix A shows the schedule of current and proposed user rates. For an average Roanoke area residential water customer, the proposed base rate would increase \$0.90 over the current amount. There is no change in the volume charge proposed under this budget. The average water bill for Roanoke area residents using 5,000 gallons a month will change from \$22.75 to \$23.65.

For an average Roanoke area residential wastewater customer, the proposed base rate would increase \$0.90 over the current amount. There is no change in the volume charge proposed under this budget. The average sewer bill for Roanoke area residents using 5,000 gallons a month of water will change from \$28.70 to \$29.60.

Franklin County rates, fees and charges for residential customers are unchanged for calendar year 2012.

The Authority is proposing an increase in septic tank disposal fees. Sewage generated within the City of Roanoke, City of Salem, Town of Vinton, Counties of Roanoke, Botetourt and Franklin will increase from \$35.00 to \$36.00 per 1,000 gallons discharged to the Authority WPC Plant plus applicable decal fees.

The Authority is proposing no change in Availability and Connection fees this year. The Availability fee is designed to contribute to capital costs and the Connection fee is designed to recover the cost of connecting to the system. The current water Availability fee for residential service is \$2,500 and \$2,000 for a Connection fee. The current sewer Availability fee for residential service is \$2,500 and \$2,000 for a Connection fee.

Reserve Funds

The Authority has several reserve funds. The Contingency Reserve Fund is being built over a ten-year period to a level of \$5 million. The amount of funding scheduled for fiscal year 2012 is \$533,333. The Water and WPC Fund will each contribute \$266,666 in this budget.

The Water and WPC Fund are building an Operating Emergency Reserve Fund over a 15-year period to equal three months of operating expenses. These annual requirements are fully met in the budget. The Water Fund will allocate \$218,296 and the Wastewater Fund will allocate \$245,228 to fund their Operating Emergency Reserve Fund.

The Construction Reserve Fund contains reserves to be used as a source of capital funding. Surplus operating monies at year-end are added to this fund. The target level of this fund is 10% to 12% of operating expenses. The budget increases the amount in the Water Construction Reserve by \$65,426 and uses no reserves to fund capital projects. The projected balance of the fund after these transactions is \$921,320.



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The WPC Construction Reserve will have \$37,321 added from operations and is being used to fund \$1.7 million in capital projects in the fiscal year 2012 budget. The projected balance of the fund after these transactions is \$4,158,167.

Capital Improvement Plan

A five-year summary of the Water and Water Pollution Control Fund Capital Plans is provided. Funding for these projects comes from fund revenues, debt service and capital contributed by developers and other local governments.

Annual improvements for the Water Fund Capital Plan range from \$4.9 to \$6 million over the next five years. Total capital spending for the five year period is \$27.7 million. The plan provides a wide variety of projects in 2012 including numerous distribution system improvements, treatment facilities improvements and the purchase of meters and capital equipment.

The Water Pollution Control Fund's Capital Plan contains two elements - WPC Plant Capital and Wastewater Capital Plan, which primarily addresses collection system infrastructure.

The WPC Plant Capital Plan was established by contract with the other local jurisdictions utilizing the plant. Cost sharing is determined by flow allocation. The Authority's cost share is slightly more than seventy percent (70%) of a total annual funding of \$1.2 million.

The Wastewater Capital Plan includes funding for design studies to meet the Wet Weather Special Order by Consent as well as collection system improvements for inflow and infiltration (I&I) reduction and extensions for development. Total capital spending for the five year period is \$29.7 million. Capital Debt issuances of \$8 million are expected over the next five years to fund the improvements required by the Wet Weather Special Consent Order. Of this amount, no projects for 2012 are funded by debt.

Summary

The staff of the Western Virginia Water Authority is proud of the accomplishments during our seventh year of operations. We look forward to even greater achievements as we continue to serve our shareholders, our customers in the City of Roanoke, Roanoke County and Franklin County, in the upcoming year.

**Western Virginia Water Authority
FY 2012 Operating and Capital Budget Summary**

| | FY 2012 Budget Water | FY 2012 Budget Wastewater | FY 2012 Budget Total |
|--|----------------------------|---------------------------------|----------------------------|
| Income: | | | |
| Customer Charges | \$23,773,729 | \$25,132,262 | \$48,905,991 |
| Connection Fees | 175,000 | 75,000 | 250,000 |
| Bulk Sales | 400,000 | 2,382,000 | 2,782,000 |
| Other Income | 2,099,246 | 1,104,000 | 3,203,246 |
| Total Operating Income | \$26,447,975 | \$28,693,262 | \$55,141,237 |
| Total Non-Operating Income (1) (2) | 2,696,369 | 1,941,405 | 4,637,774 |
| Total Income | \$29,144,344 | \$30,634,667 | \$59,779,011 |
| Expenses: | | | |
| Operating Expenses | \$8,820,290 | \$11,014,297 | \$19,834,587 |
| Field Operations | 3,493,474 | 3,218,126 | 6,711,600 |
| Internal Services | 3,239,389 | 3,239,389 | 6,478,778 |
| Depreciation Expense | 7,210,000 | 7,720,000 | 14,930,000 |
| Total Expense before Debt Service | \$22,763,153 | \$25,191,812 | \$47,954,965 |
| Net Income before Debt Service | \$6,381,191 | \$5,442,855 | \$11,824,046 |
| Debt Service Coverage | 1.61 | 1.71 | 1.66 |
| | | | |
| Long-Term Debt Principal & Interest Payments | \$7,870,897 | \$7,157,303 | \$15,028,200 |
| Non-Operating Expenses | 138,363 | 138,363 | 276,726 |
| Total Expenses | \$30,772,413 | \$32,487,478 | \$63,259,891 |
| | | | |
| Income after Debt Service Available for Capital Use | \$4,831,931 | \$5,117,189 | \$9,949,120 |
| | | | |
| Equipment & Construction Expenditures | | | |
| Funded by Operations: | | | |
| Capital Projects | \$3,497,393 | \$2,696,477 | \$6,193,870 |
| Capital Equipment | 784,150 | 671,497 | 1,455,647 |
| Water Pollution Control Capital Service Fund | 0 | 1,200,000 | 1,200,000 |
| Reserve Funds | 484,962 | 511,894 | 996,856 |
| Total Capital & Reserve Uses | \$4,766,505 | \$5,079,868 | \$9,846,373 |
| | | | |
| Increase / (Decrease) WVWA Reserves | \$65,426 | \$37,321 | \$102,747 |
| | | | |
| Surplus Revenue Reserves: | | | |
| Beginning Balance Revenue Surplus Fund | \$855,894 | \$5,837,846 | |
| Reserve Expenditures | \$0 | \$1,717,000 | |
| Ending Balance Revenue Surplus Fund | \$921,320 | \$4,158,167 | |

NOTES:

- (1) Includes Interest Income, Sale of Assets & Availability Fees.
- (2) Includes Non-Cash Revenues from Developers for Dedicated Facilities.

Adopted June 16, 2011

**Western Virginia Water Authority
FY 2012 Operating Budget Summary
Water Fund**

| Description | FY 2011 Budget | FY 2012 Budget | Budget \$ Variance | Budget % Change |
|---|---------------------|---------------------|--------------------------|-----------------------|
| Water Revenues | | | | |
| Water Sales | \$22,640,118 | \$23,748,269 | \$1,108,151 | 5% |
| Connection Fees | 150,000 | 175,000 | 25,000 | 17% |
| Bulk Sales | 435,000 | 400,000 | (35,000) | -8% |
| Fire Service | 1,209,073 | 1,214,246 | 5,173 | 0% |
| Contract Sales | 25,460 | 25,460 | 0 | 0% |
| Other Revenue | 790,000 | 885,000 | 95,000 | 12% |
| Total Water Operating Revenues | \$25,249,651 | \$26,447,975 | \$1,198,324 | 5% |
| Water Operation & Maintenance Expenses | | | | |
| Water Purchases | \$102,000 | \$102,000 | \$0 | 0% |
| Reservoir Operations | 375,464 | 331,908 | (43,556) | -12% |
| Carvins Cove Water Treatment Plant | 1,519,522 | 1,621,055 | 101,533 | 7% |
| Spring Hollow Water Treatment Plant | 1,754,493 | 1,889,075 | 134,582 | 8% |
| Crystal Spring Water Treatment Plant | 246,669 | 278,929 | 32,260 | 13% |
| Falling Creek Water Treatment Plant | 259,985 | 263,683 | 3,698 | 1% |
| Well Operations | 330,536 | 335,334 | 4,798 | 1% |
| Contract Operations | 20,407 | 21,109 | 702 | 3% |
| Smith Mountain Lake System | 295,500 | 284,000 | (11,500) | -4% |
| Laboratory Services | 355,858 | 349,563 | (6,295) | -2% |
| Pump and Storage Operations | 962,371 | 975,133 | 12,762 | 1% |
| Distribution Operations | 592,901 | 707,363 | 114,462 | 19% |
| Meter Operations | 931,948 | 885,818 | (46,130) | -5% |
| Water Treatment Administration | 763,174 | 775,320 | 12,146 | 2% |
| Internal Services | 3,154,422 | 3,239,389 | 84,967 | 3% |
| Water Distribution Service | 3,460,515 | 3,493,474 | 32,959 | 1% |
| Depreciation Expense | 7,093,717 | 7,230,000 | 136,283 | 2% |
| Total Water Operating & Maintenance Expenses | \$22,219,482 | \$22,783,153 | \$563,671 | 3% |
| Income from Operations | \$3,030,169 | \$3,664,822 | \$634,653 | 21% |
| Non - Operating Revenues | | | | |
| Investment Income | \$50,000 | \$60,000 | \$10,000 | 20% |
| Rental Income | 357,240 | 429,222 | 71,982 | 20% |
| Office Building Income | 125,000 | 93,805 | (31,195) | -25% |
| Availability Fees | 700,000 | 750,000 | 50,000 | 7% |
| Contributed Capital - Localities | 666,608 | 613,342 | (53,266) | -8% |
| Contributed Capital - Dedicated Facilities | 750,000 | 750,000 | 0 | 0% |
| Subtotal Non - Operating Revenues | \$2,648,848 | \$2,696,369 | \$47,521 | 2% |
| Non - Operating Expenses | | | | |
| Office Building Maintenance Expenses | (\$135,650) | (\$138,363) | (\$2,713) | 2% |
| Interest Expense on Bonds | (3,329,806) | (3,214,321) | 115,485 | -3% |
| Subtotal Non - Operating Expenses | (\$3,465,456) | (\$3,352,684) | \$112,772 | -3% |
| Total Non - Operating Revenues & Expenses | (\$816,608) | (\$656,315) | \$160,293 | -20% |
| Net Income (Loss) | \$2,213,561 | \$3,008,507 | \$794,946 | 36% |
| Principal Payment on Long-Term Debt | \$4,536,209 | \$4,656,576 | \$120,367 | 3% |
| Funds Available for Capital Projects | \$4,021,069 | \$4,831,931 | \$810,862 | 20% |
| Total Income | \$27,898,499 | \$29,144,344 | \$1,245,845 | 4% |

**Western Virginia Water Authority
FY 2012 Operating Budget Summary
Water Pollution Control Fund**

| Description | FY 2011 Budget | FY 2012 Budget | Budget \$ Variance | Budget % Change |
|---|----------------------|----------------------|--------------------------|-----------------------|
| Water Pollution Control Revenues | | | | |
| Water Pollution Control Charges | \$23,922,249 | \$25,032,262 | \$1,110,013 | 5% |
| Connection Fees | 75,000 | 75,000 | 0 | 0% |
| Bulk Sales | 2,250,000 | 2,382,000 | 132,000 | 6% |
| Septic Disposal Fees | 350,000 | 350,000 | 0 | 0% |
| Contract Operations | 100,000 | 100,000 | 0 | 0% |
| Other Income | 687,500 | 754,000 | 66,500 | 10% |
| Total Water Pollution Control Operating Revenues | \$27,384,749 | \$28,693,262 | \$1,308,513 | 5% |
| WPC Operation & Maintenance Expenses | | | | |
| Westlake Operations | \$66,785 | \$65,500 | (\$1,285) | -2% |
| Metering & Lift Stations | 174,404 | 173,400 | (1,004) | -1% |
| Collection System Metering | 265,000 | 265,000 | 0 | 0% |
| Inflow & Infiltration Control | 1,348,834 | 1,372,586 | 23,752 | 2% |
| Water Pollution Control Operations | 4,403,459 | 4,357,228 | (46,231) | -1% |
| Water Pollution Control Biosolids Handling | 1,904,666 | 1,940,000 | 35,334 | 2% |
| Water Pollution Control - Maintenance | 1,773,426 | 1,779,349 | 5,923 | 0% |
| Pretreatment | 169,779 | 172,204 | 2,425 | 1% |
| Contract Operations | 60,266 | 64,583 | 4,317 | 7% |
| Water Pollution Control Administration | 751,316 | 824,447 | 73,131 | 10% |
| WPC Distribution Service | 3,001,907 | 3,218,126 | 216,219 | 7% |
| Internal Services | 3,154,422 | 3,239,389 | 84,967 | 3% |
| Depreciation Expense | 7,519,435 | 7,720,000 | 200,565 | 3% |
| Total WPC Operating & Maintenance Expenses | \$24,593,699 | \$25,191,812 | \$598,113 | 2% |
| Income from Operations | \$2,791,050 | \$3,501,450 | \$710,400 | 25% |
| Non - Operating Revenues | | | | |
| Investment Income | \$110,000 | \$140,000 | \$30,000 | 27% |
| Office Building Income | 125,000 | 93,805 | (31,195) | -25% |
| Availability Fees | 550,000 | 600,000 | 50,000 | 9% |
| Plant Capital from Local Jurisdictions | 357,600 | 357,600 | 0 | 0% |
| Contributed Capital - Dedicated Facilities | 750,000 | 750,000 | 0 | 0% |
| Subtotal Non - Operating Revenues | \$1,892,600 | \$1,941,405 | \$48,805 | 3% |
| Non - Operating Expenses | | | | |
| Office Building Maintenance Expenses | (\$135,650) | (\$138,363) | (\$2,713) | 2% |
| Interest Expense on Bonds | (2,396,171) | (3,015,354) | (619,183) | 26% |
| Subtotal Non - Operating Expenses | (\$2,531,821) | (\$3,153,717) | (\$621,896) | 25% |
| Total Non - Operating Revenues & Expenses | (\$639,221) | (\$1,212,312) | (\$573,091) | 90% |
| Net Income (Loss) | \$2,151,829 | \$2,289,138 | \$137,309 | 6% |
| Principal Payment on Long-Term Debt | \$3,994,217 | \$4,141,949 | \$147,732 | 4% |
| Funds Available for Capital Projects | \$4,927,047 | \$5,117,189 | \$190,142 | 4% |
| Total Income | \$29,277,349 | \$30,634,667 | \$1,357,318 | 5% |

Western Virginia Water Authority
Water System Capital Improvement Program
FY 2012 Capital Budget
Subfund 130

| Line # | Project | Project Cost | Spending by Year | | | | |
|--------|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| 1 | Glen Heather Farms Area Waterline Replacements | 1,000,000 | 250,000 | 250,000 | 250,000 | 250,000 | |
| 2 | Distribution System Capital Project Designs - FY12 | 250,000 | 250,000 | | | | |
| 3 | Curtis Avenue Waterline Replacement | 110,000 | 110,000 | | | | |
| 4 | Buck Mountain Road (4000 Block) Interconnection | 80,000 | 80,000 | | | | |
| 5 | Riverland Road Roundabout VDOT Betterment Contribution | 75,000 | 75,000 | | | | |
| 6 | Cave Spring Lane Waterline Replacement | 62,000 | 62,000 | | | | |
| 7 | Norwood Street Area Waterline Replacements | 575,000 | | 575,000 | | | |
| 8 | Old Southwest Area Waterline Replacements | 350,000 | | 350,000 | | | |
| 9 | Lester, Whittle & Wingfield Waterlines | 135,000 | | 135,000 | | | |
| 10 | Lofton Road (2400 Block) Waterline Replacement | 102,000 | | 102,000 | | | |
| 11 | Martin Creek Water System Study | 50,000 | | 50,000 | | | |
| 12 | Raleigh Court Area Waterline Replacements | 525,000 | | 525,000 | | | |
| 13 | 15th Street SW & Jackson Avenue Waterline Replacements | 295,000 | | 295,000 | | | |
| 14 | Willow Road & Linwood Road (3000-3100 Block) Waterline Replacements | 290,000 | | 290,000 | | | |
| 15 | Ward St (900 Block) & Willis St (5100 Block) Connections | 140,000 | | 140,000 | | | |
| 16 | Rosalind Avenue (23rd-27th St) Waterline Replacement | 140,000 | | 140,000 | | | |
| 17 | Shenandoah Valley Avenue Waterline Replacements-Phase 2 | 110,000 | | 110,000 | | | |
| 18 | Hanover Avenue NW Waterlines | 95,000 | | 95,000 | | | |
| 19 | Sunnybrook Area Waterlines | 989,000 | | | 989,000 | | |
| 20 | Amberway Circle Area Improvements | 650,000 | | | 650,000 | | |
| 21 | 13th Street VDOT Betterment Contribution | 100,000 | | | 100,000 | | |
| 22 | 10th Street VDOT Betterment Contribution | 100,000 | | | 100,000 | | |
| 23 | 9th Street Bridge Replacement | 75,000 | | | 75,000 | | |
| 24 | Hollins Road Waterline Replacements-Phase 2 | 575,000 | | | | | 575,000 |
| 25 | Suncrest Heights Waterline Replacements | 400,000 | | | | | 400,000 |
| 26 | Hershberger Road Waterline Replacements | 250,000 | | | | | 250,000 |
| 27 | Routing Existing Waterlines Around Manholes | 150,000 | | | | | 150,000 |
| 28 | Valley View Interconnection | 50,000 | | | | | 50,000 |
| 29 | Old Mountain Road & Read Mountain Road Interconnection | 50,000 | | | | | 50,000 |
| 30 | Extension Projects-Distribution System | 250,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| 31 | Meter Replacements | 1,375,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 |
| 32 | Generators | 125,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 33 | Pumping Station Rehabilitation | 400,000 | 75,000 | 75,000 | 75,000 | 75,000 | 100,000 |
| 34 | Future System Improvements (Distribution) | 350,000 | | | 50,000 | 100,000 | 200,000 |
| 35 | Carroll Avenue Storage Tank | 235,000 | 235,000 | | | | |
| 36 | Storage Tank Improvements | 400,000 | | 50,000 | 50,000 | 100,000 | 200,000 |
| 37 | Future Water Tank Construction | 300,000 | | | 100,000 | 100,000 | 100,000 |
| 38 | Spring Hollow GAC Replacement | 85,000 | 85,000 | | | | |
| 39 | Carvins Cove Repair/Replace Concrete Dam Cap and Face | 300,000 | 50,000 | 250,000 | | | |
| 40 | Carvins Cove Plant Improvements | 150,000 | 65,000 | 85,000 | | | |
| 41 | Carvins Cove Filter Gallery Piping Upgrade/Submersible Membrane Filters | 1,700,000 | | 200,000 | 500,000 | 500,000 | 500,000 |
| 42 | Carvins Cove Airwash System (Design) | 150,000 | | | 150,000 | | |
| 43 | Crystal Spring WTP Improvements | 12,000 | 12,000 | | | | |
| 44 | Beaverdam Creek Dam Upgrade and Renovation | 820,000 | 525,000 | 295,000 | | | |
| 45 | Falling Creek WTP Improvements | 150,000 | 85,000 | 65,000 | | | |
| 46 | Spring Hollow RWP River Bank Rehabilitation | 30,000 | 30,000 | | | | |
| 47 | Crystal Spring Clearwell Repairs | 50,000 | 50,000 | | | | |
| 48 | WoodHaven/Valleypointe-1375 HGL Project | 150,000 | 150,000 | | | | |
| 49 | Reservoir Improvements | 300,000 | | | 100,000 | 100,000 | 100,000 |
| 50 | Jurisdictional Transportation Projects | 500,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 51 | Renovations to Coulter Building | 205,255 | 105,255 | 25,000 | 25,000 | 25,000 | 25,000 |
| 52 | Field Operations Parking Lot Renovation | 150,000 | | 150,000 | | | |
| 53 | Capitalized Labor | 3,919,361 | 753,138 | 768,201 | 783,565 | 799,236 | 815,221 |
| | Total Cash Funded Capital Projects | \$19,879,616 | \$3,497,393 | \$3,875,201 | \$4,128,565 | \$4,413,236 | \$3,965,221 |
| | Total Reserve Funded Capital Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 54 | Shenandoah Avenue Waterline Replacement (12" CI WL) | 1,500,000 | 1,500,000 | | | | |
| 55 | Westside Boulevard Waterline Replacement (12" CI WL) | 520,000 | | 520,000 | | | |
| 56 | Persinger Road SW Waterline Replacement (12" CI WL) | 320,000 | | 320,000 | | | |
| 57 | Elm Avenue Waterline Replacements (12" CI WL) | 652,000 | | 652,000 | | | |
| 58 | Avon Road Waterline Replacement (12" CI WL) | 260,000 | | | 260,000 | | |
| 59 | Garden City Boulevard Waterline Replacement (12" CI WL) | 250,000 | | | 250,000 | | |
| 60 | Pennsylvania Ave & Old Virginia St Waterline Replacements | 400,000 | | | 400,000 | | |
| 61 | Syracuse Avenue NW Waterlines | 335,000 | | | 335,000 | | |
| 62 | New York Avenue Area Waterline Replacements | 260,000 | | | 260,000 | | |
| 63 | 23rd Street & Melrose Avenue NW Waterlines | 150,000 | | | | 150,000 | |
| 64 | Williamson Road (2800 Block) Waterline Replacements | 150,000 | | | | 150,000 | |
| 65 | Carvins Cove Airwash System (Construction) | 1,000,000 | | | | 1,000,000 | |
| 66 | Rutrough Road Waterline Extension | 1,200,000 | | | | | 1,200,000 |
| 67 | Southern Hills Waterlines-Phase 2-4 | 870,000 | | | | | 870,000 |
| | Total Bond Funded Capital Projects | \$7,867,000 | \$1,500,000 | \$1,492,000 | \$1,505,000 | \$1,300,000 | \$2,070,000 |
| | Total Capital Projects Funded | \$27,746,616 | \$4,997,393 | \$5,367,201 | \$5,633,565 | \$5,713,236 | \$6,035,221 |

Western Virginia Water Authority
Wastewater Collection System Capital Improvement
FY 2012 Capital Budget
SUBFUND 230

| Line # | Project | Project Cost | Spending by Year | | | | | |
|--------|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------|
| | | | 2012 | 2013 | 2014 | 2015 | 2016 | |
| 1 | Aberdeen Avenue Sewer Replacement *** | 143,000 | 143,000 | | | | | |
| 2 | Williamson Road (NS Railyard) Sewer Replacement - Design | 100,000 | 100,000 | | | | | |
| 3 | Lick Run Aerial Crossing (MH 12A-3331.0 - 0054.0) | 100,000 | 100,000 | | | | | |
| 4 | Morrill Avenue Sewer Replacement (Under Railroad) | 100,000 | 100,000 | | | | | |
| 5 | Denniston Avenue Sewer Rehabilitation | 92,000 | 92,000 | | | | | |
| 6 | Hollins Road Sewer Rehabilitation (MH 05A-3535.0 - 3529.0) | 77,000 | 77,000 | | | | | |
| 7 | Belford Street (4000 Block) Sewer Rehabilitation | 58,000 | 58,000 | | | | | |
| 8 | Beverly Boulevard (2700 Block) Sewer Rehabilitation | 46,000 | 46,000 | | | | | |
| 9 | McVitty Road Sewer Rehabilitation (MH 01B-3850.0 - 2010.0) | 10,000 | 10,000 | | | | | |
| 10 | Salem Main St VDOT Betterment Contribution | 10,000 | 10,000 | | | | | |
| 11 | Riverland Road VDOT Betterment Contribution | 10,000 | 10,000 | | | | | |
| 12 | High Acres Road Sewer Replacements | 300,000 | | 300,000 | | | | |
| 13 | Electric Road (4300 Block) Sewer Replacement | 284,000 | | 284,000 | | | | |
| 14 | Roanoke River Interceptors Connection (WPCP) | 275,000 | | 275,000 | | | | |
| 15 | Taylor Avenue Sewer Replacement | 246,000 | | 246,000 | | | | |
| 16 | Maiden Lane (1800 Block) Sewer Replacement *** | 235,000 | | 235,000 | | | | |
| 17 | Hastings Road Easement Sewer Replacements *** | 175,000 | | 175,000 | | | | |
| 18 | Valley View Road Sewer Rehabilitation (MH 12B-3357.0 - 3354.0) | 58,000 | | 58,000 | | | | |
| 19 | Penmar Avenue Sewer Relocation | 50,000 | | 50,000 | | | | |
| 20 | 501 Bullitt Avenue Sewer Extension | 30,000 | | 30,000 | | | | |
| 21 | Oak Crest Avenue Sewer Rehabilitation (MH 01A-3430.0 - 3429.0) | 26,000 | | 26,000 | | | | |
| 22 | Brahma Road Sewer Rehabilitation (MH 01C-3070.0 - 3069.0) | 15,000 | | 15,000 | | | | |
| 23 | Colonial Avenue Sewer Rehabilitation (MH 01B-3511.0 - 3510.0) | 14,000 | | 14,000 | | | | |
| 24 | Winter Park Drive Sewer Rehabilitation (MH 07B-3190.0 - 3189.0) | 14,000 | | 14,000 | | | | |
| 25 | Allison Avenue Sewer Rehabilitation | 14,000 | | 14,000 | | | | |
| 26 | Woods Avenue Sewer Rehabilitation | 14,000 | | 14,000 | | | | |
| 27 | Highland Avenue Sewer Rehabilitation | 13,000 | | 13,000 | | | | |
| 28 | View Avenue Sewer Rehabilitation (MH 01B-3078.0 - 3077.0) | 5,000 | | 5,000 | | | | |
| 29 | Peters Creek Interceptor Replacements-Phase 3 | 1,750,000 | | | 1,750,000 | | | |
| 30 | Morehead Street Sewer Rehabilitation | 13,000 | | | 13,000 | | | |
| 31 | Morrill Avenue Sewer Rehabilitation | 13,000 | | | 13,000 | | | |
| 32 | Williamson Road Sewer Relocation (Oakland) | 1,600,000 | | | | 1,600,000 | | |
| 33 | Orchard Road Sewer Extension | 150,000 | | | | 150,000 | | |
| 34 | 13th Street VDOT Betterment Contribution | 50,000 | | | | 50,000 | | |
| 35 | 10th Street VDOT Betterment Contribution | 50,000 | | | | 50,000 | | |
| 36 | Williamson Road/Hollyhock Road Sewer Realignments | 75,000 | | | | 75,000 | | |
| 37 | 10th Street Sewer Rehabilitation | 44,000 | | | | 44,000 | | |
| 38 | 17th Street Sewer Rehabilitation | 10,000 | | | | 10,000 | | |
| 39 | Deyerle Road Sewer Rehabilitation | 9,000 | | | | 9,000 | | |
| 40 | Gilmer Avenue Sewer Rehabilitation | 8,000 | | | | 8,000 | | |
| 41 | Taylor Avenue Siphon Replacement (WPCP) | 600,000 | | | | | | 600,000 |
| 42 | Suncrest Heights Collection System Improvements | 500,000 | | | | | | 500,000 |
| 43 | Extension Projects-Collection System | 750,000 | 75,000 | 75,000 | 100,000 | 200,000 | 300,000 | |
| 44 | Storm Drain Inflow Abatement Projects | 200,000 | 25,000 | 25,000 | 50,000 | 50,000 | 50,000 | |
| 45 | Systemwide Manhole Rehabilitation (CAP) | 750,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | |
| 46 | Miscellaneous Paving / Manhole Adjustment | 1,050,000 | 250,000 | 200,000 | 200,000 | 200,000 | 200,000 | |
| 47 | Sewer Service Replacements | 500,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | |
| 48 | Lift Station Rehabilitation | 600,000 | | 150,000 | 150,000 | 150,000 | 150,000 | |
| 49 | Miscellaneous A&E Requests | 95,000 | 10,000 | 10,000 | 25,000 | 25,000 | 25,000 | |
| 50 | Future System Improvements (Collection) | 700,000 | | | 100,000 | 100,000 | 500,000 | |
| 51 | Jurisdictional Transportation Projects | 500,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | |
| 52 | Renovations to Coulter Building | 205,255 | 105,255 | 25,000 | 25,000 | 25,000 | 25,000 | |
| 53 | Meter Replacements | 1,375,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | |
| 54 | Field Operations Parking Lot Renovation | 150,000 | | 150,000 | | | | |
| 55 | Capitalized Labor | 4,476,629 | 860,222 | 877,426 | 894,975 | 912,874 | 931,132 | |
| | Total Cash Funded Capital Projects | \$18,737,884 | \$2,696,477 | \$3,905,426 | \$3,945,975 | \$4,283,874 | \$3,906,132 | |
| 56 | Williamson Road (4800 Block) Sewer Replacement | 472,000 | 472,000 | | | | | |
| 57 | Franklin Road Sewer Improvements | 400,000 | 400,000 | | | | | |
| 58 | Lombardy Avenue (3000 Block) Sewer Replacement | 335,000 | 335,000 | | | | | |
| 59 | Williamson Road (2700) Sewer Replacement *** | 245,000 | 245,000 | | | | | |
| 60 | Williamson Road (4317) To Yardley Sewer *** | 165,000 | 165,000 | | | | | |
| 61 | Williamson Road (NS Railyard) Sewer Replacement - Construction | 750,000 | | 750,000 | | | | |
| 62 | Riverside Boulevard Sewer Project (MH 20B-3212.0 - 3226.0) | 550,000 | | 550,000 | | | | |
| 63 | Effluent Discharge Study | 100,000 | 100,000 | | | | | |
| | Total Reserve Funded Capital Projects | \$3,017,000 | \$1,717,000 | \$1,300,000 | \$0 | \$0 | \$0 | |
| 64 | SOC Sewer Replacement Projects | 6,000,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | |
| 65 | SOC Sewer Rehabilitation Projects | 2,000,000 | | 500,000 | 500,000 | 500,000 | 500,000 | |
| | Total Bond Funded Capital Projects | \$8,000,000 | \$0 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | |
| | Total Capital Projects Funded | \$29,754,884 | \$4,413,477 | \$7,205,426 | \$5,945,975 | \$6,283,874 | \$5,906,132 | |

*** Represents projects to be performed by new 5 member sewer construction crew.

Western Virginia Water Authority
Wastewater Plant Capital Improvement
FY 2012 Capital Budget
SUBFUND 240

| Line # | Project | Project Cost * | Spending by Year | | | | |
|--------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2012 | 2013 | 2014 | 2015 | 2016 |
| 1 | Replacement of Aeration Grids | 140,000 | | 70,000 | 70,000 | | |
| 2 | Unanticipated Major Breakdown Repairs | 700,000 | 200,000 | 150,000 | 100,000 | 100,000 | 150,000 |
| 3 | Remaining Flood Protection | 500,000 | 500,000 | | | | |
| 4 | Generator Installation 2250 KW | 400,000 | 400,000 | | | | |
| 5 | Number 6 Blower Repair | 75,000 | 75,000 | | | | |
| 6 | Substation Construction | 1,200,000 | | 600,000 | 600,000 | | |
| 7 | Roof Replacement DAF | 130,000 | | 130,000 | | | |
| 8 | Existing Sluice/Stop Gate Rehab and Replacement | 250,000 | | 150,000 | | 100,000 | |
| 9 | Roof Replacement Blower Building | 450,000 | | | 200,000 | 250,000 | |
| 10 | Biosolids Enhancements | 1,750,000 | | | 400,000 | 350,000 | 1,000,000 |
| 11 | Plant/Filter Building Valve Repalcements | 500,000 | | | | 500,000 | |
| | Total Cash Funded Capital Projects | \$6,095,000 | \$1,175,000 | \$1,100,000 | \$1,370,000 | \$1,300,000 | \$1,150,000 |
| | Total Reserve Funded Capital Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Total Bond Funded Capital Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Total Capital Projects Funded | \$6,095,000 | \$1,175,000 | \$1,100,000 | \$1,370,000 | \$1,300,000 | \$1,150,000 |

Note*: Annual funding of \$1.2 million available from contributions by all participating jurisdictions. Authority share is 70.1% or \$842,000 annually.

WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MONTHLY WATER RATES
ROANOKE CITY & ROANOKE COUNTY CUSTOMERS

| | January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Volume Charge:

All Customer Types - Per 1,000 Gallons

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------|--------|--------|--------|--------|--------|--------|
| First Tier | \$3.00 | \$3.00 | \$3.00 | \$3.20 | \$3.30 | \$3.30 |
| Second Tier Rate (4) | \$3.50 | \$3.50 | \$3.60 | \$3.81 | \$3.92 | \$4.04 |
| Irrigation | \$3.50 | \$3.50 | \$3.60 | \$3.81 | \$3.92 | \$4.04 |

Base Charge:

Monthly Charge per Unit
Charge per meter size:

Number
Of ERU's (5)
Per Unit

| | Number Of ERU's (5) Per Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|------------------------------------|------------|------------|------------|------------|------------|------------|
| 5/8" Meter | 1.00 | \$7.75 | \$8.65 | \$9.60 | \$10.35 | \$11.40 | \$12.00 |
| 3/4" Meter | 1.50 | \$11.63 | \$12.98 | \$14.40 | \$15.53 | \$17.10 | \$18.00 |
| 1" Meter | 2.50 | \$19.38 | \$21.63 | \$24.00 | \$25.88 | \$28.50 | \$30.00 |
| 1 1/2" Meter | 5.00 | \$38.75 | \$43.25 | \$48.00 | \$51.75 | \$57.00 | \$60.00 |
| 2" Meter | 8.00 | \$62.00 | \$69.20 | \$76.80 | \$82.80 | \$91.20 | \$96.00 |
| 3" Meter | 15.00 | \$116.25 | \$129.75 | \$144.00 | \$155.25 | \$171.00 | \$180.00 |
| 4" Meter | 30.00 | \$232.50 | \$259.50 | \$288.00 | \$310.50 | \$342.00 | \$360.00 |
| 6" Meter | 60.00 | \$465.00 | \$519.00 | \$576.00 | \$621.00 | \$684.00 | \$720.00 |
| 8" Meter | 90.00 | \$697.50 | \$778.50 | \$864.00 | \$931.50 | \$1,026.00 | \$1,080.00 |
| 10" Meter | 150.00 | \$1,162.50 | \$1,297.50 | \$1,440.00 | \$1,552.50 | \$1,710.00 | \$1,800.00 |
| 12" Meter | 200.00 | \$1,550.00 | \$1,730.00 | \$1,920.00 | \$2,070.00 | \$2,280.00 | \$2,400.00 |

(1) Rates Effective January 1, 2011

(2) Rates Effective January 1, 2012

(3) Projected Rate Plan

(4) Second Tier Rates effective after gallons:

| | |
|-------------|---------|
| Residential | 10,000 |
| Commercial | 75,000 |
| Industrial | 375,000 |

(5) ERU = Equivalent Residential Unit

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MONTHLY SEWER RATES
ROANOKE CITY & ROANOKE COUNTY CUSTOMERS**

| | January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Volume Charge:

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| All Customer Types - Per 1,000 Gallons | \$3.50 | \$3.50 | \$3.95 | \$4.40 | \$4.85 | \$5.00 |
|--|--------|--------|--------|--------|--------|--------|

Base Charge:

| Monthly Charge per Unit Charge per meter size: | Number Of ERU's (4) Per Unit | | | | | | |
|---|------------------------------------|------------|------------|------------|------------|------------|------------|
| 5/8" Meter | 1.00 | \$11.20 | \$12.10 | \$13.00 | \$14.50 | \$16.15 | \$16.50 |
| 3/4" Meter | 1.50 | \$16.80 | \$18.15 | \$19.50 | \$21.75 | \$24.23 | \$24.75 |
| 1" Meter | 2.50 | \$28.00 | \$30.25 | \$32.50 | \$36.25 | \$40.38 | \$41.25 |
| 1 1/2" Meter | 5.00 | \$56.00 | \$60.50 | \$65.00 | \$72.50 | \$80.75 | \$82.50 |
| 2" Meter | 8.00 | \$89.60 | \$96.80 | \$104.00 | \$116.00 | \$129.20 | \$132.00 |
| 3" Meter | 15.00 | \$168.00 | \$181.50 | \$195.00 | \$217.50 | \$242.25 | \$247.50 |
| 4" Meter | 30.00 | \$336.00 | \$363.00 | \$390.00 | \$435.00 | \$484.50 | \$495.00 |
| 6" Meter | 60.00 | \$672.00 | \$726.00 | \$780.00 | \$870.00 | \$969.00 | \$990.00 |
| 8" Meter | 90.00 | \$1,008.00 | \$1,089.00 | \$1,170.00 | \$1,305.00 | \$1,453.50 | \$1,485.00 |
| 10" Meter | 150.00 | \$1,680.00 | \$1,815.00 | \$1,950.00 | \$2,175.00 | \$2,422.50 | \$2,475.00 |
| 12" Meter | 200.00 | \$2,240.00 | \$2,420.00 | \$2,600.00 | \$2,900.00 | \$3,230.00 | \$3,300.00 |

Flat Rate Sewer Charges:

| | | | | | | | |
|-------------|----------------|----------|----------|----------|----------|----------|----------|
| Residential | 6,000 gallons | \$32.20 | \$33.10 | \$36.70 | \$40.90 | \$45.25 | \$46.50 |
| Commercial | 30,000 gallons | \$116.20 | \$117.10 | \$131.50 | \$146.50 | \$161.65 | \$166.50 |

- (1) Rates Effective January 1, 2011
- (2) Rates Effective January 1, 2012
- (3) Projected Rate Plan
- (4) ERU = Equivalent Residential Unit

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MONTHLY FIRE SERVICE RATES
ROANOKE CITY & ROANOKE COUNTY CUSTOMERS**

| January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Base Monthly Charge:

| | | | | | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| Less than 4" Meter | \$35.00 | \$35.00 | \$35.00 | \$35.00 | \$35.00 | \$35.00 |
| 4" Meter | \$71.25 | \$71.25 | \$71.25 | \$71.25 | \$71.25 | \$71.25 |
| 6" Meter | \$142.50 | \$142.50 | \$142.50 | \$142.50 | \$142.50 | \$142.50 |
| 8" Meter | \$213.75 | \$213.75 | \$213.75 | \$213.75 | \$213.75 | \$213.75 |
| 10" Meter | \$356.25 | \$356.25 | \$356.25 | \$356.25 | \$356.25 | \$356.25 |
| 12" Meter | \$475.00 | \$475.00 | \$475.00 | \$475.00 | \$475.00 | \$475.00 |

The Western Virginia Water Authority reserves the right to charge for excessive fire service water consumption at commercial water rates.

- (1) Rates Effective January 1, 2011
- (2) Rates Effective January 1, 2012
- (3) Projected Rate Plan

WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED AVAILABILITY AND CONNECTION FEES
ROANOKE CITY & ROANOKE COUNTY CUSTOMERS

| January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Water Availability Fee:

| Charge per meter size: | Number Of ERU's (4) Per Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5/8" Meter | 1.00 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| 3/4" Meter | 1.50 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 |
| 1" Meter | 2.50 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 |
| 1 1/2" Meter | 5.00 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 |
| 2" Meter | 8.00 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| 3" Meter | 15.00 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 |
| 4" Meter | 30.00 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| 6" Meter | 60.00 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| 8" Meter | 90.00 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 |
| 10" Meter | 150.00 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 |
| 12" Meter | 200.00 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |

Water Connection Fee:

| Charge per meter size: | Number Of ERU's (4) Per Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 5/8" Meter | 1.00 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 3/4" Meter | 1.50 | \$2,020 | \$2,020 | \$2,020 | \$2,020 | \$2,020 | \$2,020 |
| 1" Meter | 2.50 | \$2,130 | \$2,130 | \$2,130 | \$2,130 | \$2,130 | \$2,130 |
| 1 1/2" Meter and above | 5.00 | Actual Cost | Actual Cost | Actual Cost | Actual Cost | Actual Cost | Actual Cost |

Sewer Availability Fee:

| Charge per meter size: | Number Of ERU's (4) Per Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5/8" Meter | 1.00 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| 3/4" Meter | 1.50 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 |
| 1" Meter | 2.50 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 |
| 1 1/2" Meter | 5.00 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 |
| 2" Meter | 8.00 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| 3" Meter | 15.00 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 |
| 4" Meter | 30.00 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| 6" Meter | 60.00 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| 8" Meter | 90.00 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 |
| 10" Meter | 150.00 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 |
| 12" Meter | 200.00 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |

Sewer Connection Fee:

| Charge per meter size: | Number Of ERU's (4) Per Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 5/8" Meter | 1.00 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 3/4" Meter and above | 1.50 | Actual Cost | Actual Cost | Actual Cost | Actual Cost | Actual Cost | Actual Cost |

- (1) Rates Effective January 1, 2011
(2) Rates Effective January 1, 2012
(3) Projected Rate Plan
(4) ERU = Equivalent Residential Unit

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MONTHLY RATES
COUNTY OF FRANKLIN**

| January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

WATER:**Volume Charge:**

All Customer Types - Per 1,000 Gallons

| | \$8.00 | \$8.00 | \$8.00 | \$8.00 | \$8.00 | \$8.00 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|
| Volume Rate - For Usage above Minimum | | | | | | |
| Irrigation | | | | | | |

Monthly Minimum Charge:

| Monthly Charge per Unit | Includes Minimum | Number | |
|-------------------------|------------------|--------------|----------|
| Charge per meter size: | Usage of | Of ERU's (4) | Per Unit |

| | 4,000 | 1.00 | | | | | | |
|-------------------------------|-------|------|------------|------------|------------|------------|------------|------------|
| 5/8" Meter on undeveloped lot | | | \$16.00 | \$16.00 | \$16.00 | \$16.00 | \$16.00 | \$16.00 |
| 5/8" Meter | | | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 |
| 3/4" Meter | | | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 | \$32.00 |
| 1" Meter | | | \$80.00 | \$80.00 | \$80.00 | \$80.00 | \$80.00 | \$80.00 |
| 1 1/2" Meter | | | \$160.00 | \$160.00 | \$160.00 | \$160.00 | \$160.00 | \$160.00 |
| 2" Meter | | | \$256.00 | \$256.00 | \$256.00 | \$256.00 | \$256.00 | \$256.00 |
| 3" Meter | | | \$512.00 | \$512.00 | \$512.00 | \$512.00 | \$512.00 | \$512.00 |
| 4" Meter | | | \$800.00 | \$800.00 | \$800.00 | \$800.00 | \$800.00 | \$800.00 |
| 6" Meter | | | \$1,600.00 | \$1,600.00 | \$1,600.00 | \$1,600.00 | \$1,600.00 | \$1,600.00 |
| 8" Meter | | | \$2,400.00 | \$2,400.00 | \$2,400.00 | \$2,400.00 | \$2,400.00 | \$2,400.00 |
| 10" Meter | | | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 | \$4,000.00 |
| 12" Meter | | | \$5,360.00 | \$5,360.00 | \$5,360.00 | \$5,360.00 | \$5,360.00 | \$5,360.00 |

SEWER FOR WESTLAKE OVERLAY DISTRICT:**Volume Charge:**

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| All Customer Types - Per 1,000 Gallons | \$7.60 | \$7.60 | \$7.60 | \$7.60 | \$7.60 | \$7.60 |
|--|--------|--------|--------|--------|--------|--------|

Monthly Minimum Charge:

| Monthly Charge per Unit | Number | | |
|-------------------------|--------------|----------|--|
| Charge per meter size: | Of ERU's (4) | Per Unit | |

| | 0.75 | 1.00 | 1.50 | 2.50 | 5.00 | 8.00 | 15.00 | 30.00 | 60.00 | 90.00 | 150.00 | 200.00 |
|--------------------------|------|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 5/8" Meter - Residential | | | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 |
| 5/8" Meter - Commercial | | | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 | \$13.75 |
| 3/4" Meter | | | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 | \$20.75 |
| 1" Meter | | | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 | \$34.40 |
| 1 1/2" Meter | | | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 | \$68.75 |
| 2" Meter | | | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$110.00 |
| 3" Meter | | | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 | \$206.25 |
| 4" Meter | | | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 | \$412.50 |
| 6" Meter | | | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 | \$825.00 |
| 8" Meter | | | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 | \$1,237.50 |
| 10" Meter | | | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 | \$2,062.50 |
| 12" Meter | | | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 | \$2,750.00 |

(1) Rates Effective January 1, 2011

(2) Rates Effective January 1, 2012

(3) Projected Rate Plan

(4) ERU = Equivalent Residential Unit

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MONTHLY FIRE SERVICE RATES
COUNTY OF FRANKLIN**

| January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Base Monthly Charge: _____

| | | | | | | | |
|--------------------|--|----------|----------|----------|----------|----------|----------|
| Less than 4" Meter | | \$35.00 | \$35.00 | \$35.00 | \$35.00 | \$35.00 | \$35.00 |
| 4" Meter | | \$71.25 | \$71.25 | \$71.25 | \$71.25 | \$71.25 | \$71.25 |
| 6" Meter | | \$142.50 | \$142.50 | \$142.50 | \$142.50 | \$142.50 | \$142.50 |
| 8" Meter | | \$213.75 | \$213.75 | \$213.75 | \$213.75 | \$213.75 | \$213.75 |
| 10" Meter | | \$356.25 | \$356.25 | \$356.25 | \$356.25 | \$356.25 | \$356.25 |
| 12" Meter | | \$475.00 | \$475.00 | \$475.00 | \$475.00 | \$475.00 | \$475.00 |

- (1) Rates Effective January 1, 2011
- (2) Rates Effective January 1, 2012
- (3) Projected Rate Plan

The Western Virginia Water Authority reserves the right to charge for excessive fire service water consumption at commercial water rates.

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED AVAILABILITY AND CONNECTION FEES
COUNTY OF FRANKLIN**

| | January 2011 Current (1) | January 2012 Approved (2) | January 2013 Projected (3) | January 2014 Projected (3) | January 2015 Projected (3) | January 2016 Projected (3) |
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|--|--------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|

Water Availability Fee:

| | AWWA Of ERU's (4) Per Unit | | | | | | |
|------------------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Charge per meter size: | | | | | | | |
| 5/8" Meter | 1.00 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 | \$2,500 |
| 3/4" Meter | 1.50 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 |
| 1" Meter | 2.50 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 | \$6,250 |
| 1 1/2" Meter | 5.00 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 |
| 2" Meter | 8.00 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| 3" Meter | 15.00 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 | \$37,500 |
| 4" Meter | 30.00 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| 6" Meter | 60.00 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| 8" Meter | 90.00 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 | \$225,000 |
| 10" Meter | 150.00 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 | \$375,000 |
| 12" Meter | 200.00 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |

Water Connection Fee:

| | | | | | | | |
|--------------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| 5/8" Meter | 1.00 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 3/4" Meter | 1.50 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 1" Meter | 2.50 | \$2,130 | \$2,130 | \$2,130 | \$2,130 | \$2,130 | \$2,130 |
| 1 1/2" Meter | | actual cost | actual cost | actual cost | actual cost | actual cost | actual cost |

Sewer Availability Fee: (5)

| | AWWA Of ERU's (6) Per Unit | | | | | | |
|--------------------------|----------------------------------|----------|----------|----------|----------|----------|----------|
| Charge per meter size: | | | | | | | |
| 5/8" Meter - Residential | 0.75 | \$9,075 | \$9,075 | \$9,075 | \$9,075 | \$9,075 | \$9,075 |
| 5/8" Meter - Commercial | 1.00 | \$12,100 | \$12,100 | \$12,100 | \$12,100 | \$12,100 | \$12,100 |
| 3/4" Meter | 1.50 | \$18,150 | \$18,150 | \$18,150 | \$18,150 | \$18,150 | \$18,150 |
| 1" Meter | 2.50 | \$30,250 | \$30,250 | \$30,250 | \$30,250 | \$30,250 | \$30,250 |
| 1 1/2" Meter | 5.00 | \$60,500 | \$60,500 | \$60,500 | \$60,500 | \$60,500 | \$60,500 |
| 2" Meter | 8.00 | \$96,800 | \$96,800 | \$96,800 | \$96,800 | \$96,800 | \$96,800 |

| | | | | | | | |
|----------------------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Sewer Availability Fee is: | | \$42.35 / gallon of Capacity | \$42.35 / gallon of Capacity | \$42.35 / gallon of Capacity | \$42.35 / gallon of Capacity | \$42.35 / gallon of Capacity | \$42.35 / gallon of Capacity |
|----------------------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|

Sewer Connection Fee:

| | | | | | | | |
|--------------------------|--------|-------------|-------------|-------------|-------------|-------------|-------------|
| 5/8" Meter - Residential | 0.75 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 5/8" Meter - Commercial | 1.50 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| 1" Meter & Above | Varies | actual cost | actual cost | actual cost | actual cost | actual cost | actual cost |

Water & Sewer Extension Fees - Additional fees may apply for offsite extension projects. These fees are project and service area specific and developed by the Engineering Department on a project by project basis. Contact the Engineering Department for fee schedules (540) 853-5641.

(1) Rates Effective January 1, 2011

(2) Rates Effective January 1, 2012

(3) Projected Rate Plan

(4) ERU = Equivalent residential unit

(5) An additional \$2,000 per ERU may be charged for service connections that utilize a lift station to transmit flow to the wastewater treatment plant.

(6) For this fee, 1 Equivalent Residential Unit (ERU) = 300 gallons per day

**WESTERN VIRGINIA WATER AUTHORITY
SCHEDULE OF CURRENT & PROPOSED MISCELLANEOUS FEES AND CHARGES
ALL CUSTOMERS**

| | |
|---|-------------------------------------|
| Initial Application for Service | \$20.00 |
| Each request for service beyond initial water service turn-on | \$25.00 |
| Recheck reading of meter (no charge if misread) | \$25.00 |
| Investigation of leak per hour (1 hour minimum) | \$25.00 |
|) | \$50.00 |
| Meter test for stationary meters (no charge if defective meter) | \$200.00 |
| Additional overtime charge (for work other than 8am-5pm, Mon - Fri) | \$52.50 |
| Each service trip for non-payment | \$35.00 |
| Late Payment (whichever is greater) | 10% or \$1.50 |
| Debt Collection Fee | up to 31% plus legal fees |
| Debt Set-off | \$25.00 |
| Bad check charge | \$35.00 |
| Temporary Water or Sewer account administrative fee | \$50.00 |
| Temporary water (per 1,000 gallons) | \$5.00 |
| Temporary wastewater (per day of service) | \$50.00 |
| Industrial Pretreatment Penalty (per violation per day) | up to \$2,500 per violation per day |
| Administrative Compliance Fee (per violation per month) | up to \$500 per violation per month |
| Engineering Design Service Fee (per foot of main) | \$5.00 |
| Engineering Field Service Fee | \$50.00 |
| Copy Fee (First 10 pages free / first half hour free) \$0.15 per page / \$15 per hour | \$0.15 |
| Hydrant Flow Test Fee | \$100.00 |

Septic Tank Disposal Fees Effective January 1, 2011:

Sewage generated within the City of Roanoke, City of Salem, Town of Vinton , Counties of Roanoke, Botetourt and Franklin - \$35.00 per 1,000 gallons discharged to the Authority Water Pollution Control Plant (WPCP) plus applicable decal fees. Sewage generated in jurisdictions other than those listed above - \$55.00 per 1,000 gallons plus applicable decal fees. Grease Trap Waste - \$55.00 per 1,000 gallons plus applicable decal fees.

Septic Tank Disposal Fees Effective January 1, 2012:

Sewage generated within the City of Roanoke, City of Salem, Town of Vinton , Counties of Roanoke, Botetourt and Franklin - \$36.00 per 1,000 gallons discharged to the Authority Water Pollution Control Plant (WPCP) plus applicable decal fees. Sewage generated in jurisdictions other than those listed above - \$55.00 per 1,000 gallons plus applicable decal fees. Grease Trap Waste - \$55.00 per 1,000 gallons plus applicable decal fees.



Western Virginia Water Authority Board of Directors

Our Mission Is Clear

The Western Virginia Water Authority has a seven-member governing board. Roanoke County and City of Roanoke governing bodies each select three board members while Franklin County selects one board member.

Serving four-year terms are city resident Marc S. Fink who is the Authority's Board Chair, county resident R. Grayson "Gray" Goldsmith who serves as the Vice-Chairman, city resident John P. Bradshaw, Jr., Vinton resident Donald L. Davis, city resident Robert Lawson and county resident H. Odell "Fuzzy" Minnix. The seventh position is represented by Mrs. Shirley Holland, a resident of Franklin County. Serving as secretary is Authority Executive Assistant Ms. Jean Thurman.

Mr. Marc S. Fink

Authority Board Chairman Marc Fink is CEO and Chairman of Fink's Jewelers, Inc. which operates fourteen stores. Nine stores are in Virginia – two in Roanoke, one in Lynchburg, one in Charlottesville, three in Richmond, one in Norfolk and one in Dulles. The other five stores are in North Carolina – two in Charlotte and three in the Raleigh – Durham area. Marc Fink is a third generation jeweler.

Mr. Fink is a graduate of the University of Alabama with a Bachelor of Science Degree in Business Administration. He studied at the Gemological Institute of America in Santa Monica, California and received the Graduate Gemologist Degree. He is a Registered Jeweler and Certified Gemologist of the American Gem Society.

Mr. Fink has served on the boards of the Rotary Club of Roanoke Valley, Council of Community Services, The American Heart Association, YMCA, Roanoke Chamber of Commerce, Temple Emanuel and the Better Business Bureau. He currently serves on the board of HomeTown Bank and is a member of the Young Presidents' Organization.

In the jewelry industry, he has served on the boards of the Jewelry Information Center, Jewelers of America and Jewelers Vigilance Committee. He is currently serving on the board of Couture Diamond Leadership Conference Advisory Council. His most recent industry accomplishment is winning the National Jeweler's Retailer Hall of Fame award.

Mr. R. Grayson "Gray" Goldsmith



Mr. Goldsmith was born and raised in the Roanoke Valley and has been a resident of Roanoke County since 1978. He started his career in Roanoke with the old First National Exchange Bank (predecessor to Wachovia Bank) in 1976, and served there in a multitude of roles and responsibilities until 1998. He then joined SunTrust Bank as a Senior Vice President in the Commercial Banking Group with management responsibility for commercial sales activities in the Roanoke, New River Valley and Southside markets. In 2007, Mr. Goldsmith joined Valley Bank and assumed his present position as Business Banking Group Manager.

Mr. Goldsmith has taken an active interest in community endeavors over the years. He is a life long member of St. John's Episcopal Church in Roanoke and has served on numerous civic and professional organizations. He currently serves on the corporate board of the YMCA of Roanoke Valley. He became a board member of the Western Virginia Water Authority in December 2007.

Mr. Goldsmith is a graduate of Hampden-Sydney College with a Bachelor Degree in Psychology. He and his wife Eva have two daughters and one son.

Mr. H. Odell "Fuzzy" Minnix



Mr. Minnix is a Roanoke County resident. Mr. Minnix served on the Roanoke County Board of Supervisors from 1992 through the first half of 2004.

Born in Roanoke County, Mr. Minnix is an Andrew Lewis High School graduate. He served four years in the U.S. Air Force as a Control Tower Operator. A graduate of the FAA Air Traffic Control Academy in Oklahoma City, Oklahoma, Mr. Minnix is also a graduate of the FAA Management School at Cameron University in Lawton, Oklahoma.

Mr. Minnix is a member of the Roanoke County School Board representing the Cave Spring Magisterial District. He was elected to this position in 2008 to serve until 2012.

Mr. Minnix is a recipient of the Roanoke Valley Big Brother of the Year Award, the Roanoke Federal Employee of the Year Award and FAA Education Facilitator of the Year Award for the Eastern Region. Mr. Minnix has also received five outstanding ratings in the FAA. A local radio station, WROV, chose Mr. Minnix as a WROV Outstanding Performer Award recipient.

Mr. Minnix has been a member of the Roanoke Valley Economic Development Partnership Board, liaison to the Virginia Association of Counties and a member of the Urban Partnership board. He also serves on the Bio-Ethics Committee at Lewis-Gale Hospital, the Blue Ridge Zoological Society of Virginia and the Roanoke Valley-Alleghany Regional Commission Metropolitan Planning Organization.

Mr. Minnix is a member of Ghent Grace Brethren Church where he is a past moderator and Sunday school superintendent. An avid supporter of youth and sports, Mr. Minnix has served as head football coach at Hidden Valley Junior High, head softball coach, assistant varsity football coach and assistant varsity track coach at Cave Spring High School. Mr. Minnix is also active as a Virginia High School League football and basketball official.

Mr. Minnix is married to Janet Carol Hammers. He has two sons and a daughter-in-law and three grandchildren.

Mr. Donald L. Davis



Mr. Davis has lived in Vinton since 1965. Mr. Davis served on the Vinton Town Council for fifteen years, the last four years as Mayor. He was employed in the banking industry from 1965-1997, retiring after 32 years.

Mr. Davis has served as President of the Vinton Chamber of Commerce and the Vinton Dogwood Festival and has served as Vice Chairman of the Roanoke Valley Alleghany Regional Commission. He has held Club, District, and State offices in the Lions Club. He currently serves on the board of the Vinton Needy Family Program and Habitat for Humanity.

He is a long time member of Thrasher Memorial United Methodist church in Vinton where he serves as Treasurer of the Church.

Mr. Davis has a banking degree from the University of Virginia. He and his wife have one daughter, one son, and one granddaughter.

Mr. Robert C. Lawson, Jr.



Mr. Lawson is a resident of the City of Roanoke. He joined SunTrust Bank in Lynchburg, Virginia as a vice president in the Commercial Lending Group in May 1979. In 1982, he moved to Roanoke. In 1986, he was elected president of SunTrust - Roanoke, which included management responsibility for the Radford, Virginia market. In 1997, his management duties were expanded to include responsibility for all commercial banking activities for SunTrust Bank, Western Virginia. In 2000, he assumed the role of president and chief executive officer, SunTrust Bank, Western Virginia until his retirement in 2007. Mr. Lawson is currently a principal at Longview Associates, LLC, a general management and finance consulting firm.

Mr. Lawson has an undergraduate degree from Virginia Polytechnic Institute and State University and a Masters in Business Administration from the University of Richmond.

He has served as board chairman of the United Way of Roanoke Valley, Inc., Downtown Roanoke, Inc., Roanoke Regional Chamber of Commerce and the Roanoke Region Economic Development Partnership.

He currently serves on the boards of the Roanoke Valley Development Corporation, YMCA of Roanoke Valley, Western Virginia Foundation for the Arts, Art Museum of Western Virginia, Hotel Roanoke, LLC, Virginia Tech Foundation, Roanoke Valley Economic Development Partnership and Foundation for Roanoke Valley.

In 1996, Mr. Lawson was awarded the Wiley S. Hubbard Award for Outstanding Service to United Way. In 2000, he received the John W. Hancock, Jr. Award for Outstanding Community Service. He was also awarded the Perry F. Kendig Award in 2000 for Outstanding Support of the Arts.

Mr. John P. Bradshaw, Jr.



Raised in the City of Norfolk, Mr. Bradshaw became a permanent resident of the City of Roanoke in 1962 when he was transferred here as an engineer with the engineering architectural firm of Hayes Seay Mattern & Mattern. Prior to his retirement from HSMM in 1998, Mr. Bradshaw held various assignments including structural and geotechnical engineer, Structural Department Head, Project Manager, Partner and Chairman of the Board.

He received his Bachelor of Science degree in Civil Engineering from MIT and returned there after three years in the Navy to obtain a Masters Degree, specializing in geotechnical engineering. Professionally, he held engineering registrations in more than two dozen states including Virginia and California. In addition to membership in other professional societies, he is a Past President of the Virginia Chapter of ASCE where he was quite supportive of student engineers.

Mr. Bradshaw continued his interest in the Navy, retiring from the Naval Reserve as a Commander. He is a long time member of St. John's Episcopal Church, serving in various rolls including two terms on its Vestry. He also served as Past President of the Kiwanis Club of Roanoke and more recently Past Treasurer and Past President of the Historical Society of Western Virginia. In later rolls, he was instrumental in the establishment of the O. Winston Link Museum.

In 1972 he was appointed to the City of Roanoke Planning Commission and served for some 24 years, including being Chairman at various times. In the fall of 2007, Mr. Bradshaw was elected to a four year term as the City of Roanoke's representative on the Blue Ridge Soil and Water Conservation District Commission.

Married to a Roanoke Valley native, Matilda, the Bradshaw's have three married daughters, two of whom currently reside in the valley, and four grandchildren.

Mrs. Shirley Holland



Mrs. Holland joined the Western Virginia Water Authority in 2010 as the Franklin County representative. She, her husband and two children reside in Callaway, Virginia. Mrs. Holland is employed by Carilion Clinic as Vice President of Strategic Development, responsible for planning and marketing functions for the organization, as well as community outreach and the Carilion Foundation.

Mrs. Holland is a board member of the Roanoke Valley Convention and Visitor's Bureau, the Smith Mountain Lake Scholarship Trust Fund and the Carilion Foundation. She has served as the President of the YMCA of Franklin County board and a board member of Blue Ridge Public TV. She received her Bachelors of Arts from Bridgewater College and her Masters in Business Administration from Radford University.